

<010>	Study Area Code	290570
<015>	Study Area Name	LORETTO TEL CO
<020>	Program Year	2016
<030>	Contact Name: Person USAC should contact with questions about this data	Desda Hutchins
<035>	Contact Telephone Number: Number of the person identified in data line <030>	9318534351 ext.128
<039>	Contact Email Address: Email of the person identified in data line <030>	desda@lorettotel.com

ANNUAL REPORTING FOR ALL CARRIERS	54,313 Completion Required	54,422 Completion Required
-----------------------------------	----------------------------------	----------------------------------

<100>	Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200>	Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210>	<input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300>	Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310>	Detail on Attempts (voice)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320>	Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330>	Detail on Attempts (broadband)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400>	Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410>	Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420>	Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430>	Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440>	Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450>	Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<500>	Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	290570TN500.pdf	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600>	Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610>	290570TN610.pdf	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700>	Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710>	Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800>	Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)?	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000>	Voice Services Rate Comparability Certification	Yes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010>		(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100>	Certify whether terrestrial backhaul options exist (Yes or No)	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>		(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200>	Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

<2000>	Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>		(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

<3000>		(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>		(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**(100) Service Quality Improvement Reporting  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	290570
<015>	Study Area Name	LORETTO TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Desda Hutchins
<035>	Contact Telephone Number - Number of person identified in data line <030>	9318534351 ext.128
<039>	Contact Email Address - Email Address of person identified in data line <030>	desda@lorettotel.com

<110>	Has your company received its ETC certification from the FCC?	(yes / no)	<input type="radio"/> <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no)	<input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

290570TN112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	Yes
<114>	Report how much universal service (USF) support was received	Yes
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	Not Applicable

Yes
Yes
Yes
Yes
Yes
Not Applicable



FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	290570
<015>	Study Area Name	LORETTO TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Desda Hutchins
<035>	Contact Telephone Number - Number of person identified in data line <030>	9318534351 ext.128
<039>	Contact Email Address - Email Address of person identified in data line <030>	desda@lorettotel.com

[illegible]

## FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	290570
<015>	Study Area Name	LORETTO TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	<a href="#">Desda Hutchins</a>
<035>	Contact Telephone Number - Number of person identified in data line <030>	9318534351 ext.128
<039>	Contact Email Address - Email Address of person identified in data line <030>	<a href="mailto:desda@lorettotel.com">desda@lorettotel.com</a>

<701> Residential Local Service Charge Effective Date  
<702> Single State-wide Residential Local Service Charge

1/1/2015

[illegible]

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	290570
<015>	Study Area Name	LORETTO TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Desda Hutchins
<035>	Contact Telephone Number - Number of person identified in data line <030>	9318534351 ext.128
<039>	Contact Email Address - Email Address of person identified in data line <030>	desda@lorettotel.com

[illegible]



(800) Operating Companies  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	290570
<015>	Study Area Name	LORETTOTEL.CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Desda Hutchins
<035>	Contact Telephone Number - Number of person identified in data line <030>	9318534351 ext. 128
<039>	Contact Email Address - Email Address of person identified in data line <030>	desda@lorettotel.com

<810>	Reporting Carrier	Loretto Telephone Company, Inc.
<811>	Holding Company	LTC Holding Company, Inc.
<812>	Operating Company	Loretto Telephone Company, Inc.

[illegible]

(900) Tribal Lands Reporting  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010> Study Area Code 290570  
<015> Study Area Name LORETTO TEL CO  
<020> Program Year 2016  
<030> Contact Name - Person USAC should contact regarding this data Desda Hutchins  
<035> Contact Telephone Number - Number of person identified in data line <030> 9318534351 ext.128  
<039> Contact Email Address - Email Address of person identified in data line <030> desda@lorettotel.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

<b>(1100) No Terrestrial Backhaul Reporting Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
--	--

<010> Study Area Code	290570
<015> Study Area Name	LORETTO TEL CO
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Desda Hutchins
<035> Contact Telephone Number - Number of person identified in data line <030>	9318534351 ext.128
<039> Contact Email Address - Email Address of person identified in data line <030>	desda@lorettotel.com

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).



<b>(1200) Terms and Condition for Lifeline Customers</b> Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
--	--

<010> Study Area Code	290570
<015> Study Area Name	LORETTO TEL CO
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Desda Hutchins
<035> Contact Telephone Number - Number of person identified in data line <030>	9318534351 ext.128
<039> Contact Email Address - Email Address of person identified in data line <030>	desda@lorettotel.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- |  |                                     |
|--|-------------------------------------|
| <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | <input checked="" type="checkbox"/> |
| <1222> Details on the number of minutes provided as part of the plan,  | <input checked="" type="checkbox"/> |
| <1223> Additional charges for toll calls, and rates for each such plan.  | <input checked="" type="checkbox"/> |

(2000) Price Cap Carrier Additional Documentation

Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	290570
<015>	Study Area Name	LORETO TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Desda Hutchins
<035>	Contact Telephone Number - Number of person identified in data line <030>	9318334331 ext. 128
<039>	Contact Email Address - Email Address of person identified in data line <030>	desda@loretotel.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)i}
- <2011a> 3rd Year Certification {47 CFR § 54.313(b)(1)ii}
- <2011b> Attachment {47 CFR § 54.313(b)(1)iii}

Name of Attached Document(s) Listing Required Information

Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Calculation {47 CFR § 54.313(c)(1)}
- <2013> 2014 Frozen Support Calculation {47 CFR § 54.313(c)(2)}
- <2014> 2015 Frozen Support Calculation {47 CFR § 54.313(c)(3)}
- <2015> 2016 and future Frozen Support Calculation {47 CFR § 54.313(c)(4)}

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

- <2021> Interim Progress Community Anchor Institutions

Name of Attached Document(s) Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	290570
<015>	Study Area Name	LORETTO TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Desda Hutchins
<035>	Contact Telephone Number - Number of person identified in data line <030>	9318534351 ext. 128
<039>	Contact Email Address - Email Address of person identified in data line <030>	desda@lorettotel.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010) Progress Report on 5 Year Plan  
Milestone Certification [47 CFR § 54.313(f)(1)(i)]

290570TN3010.pdf

Name of Attached Document Listing Required Information

(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.



290570TN3012.pdf

(3012) Community Anchor Institutions [47 CFR § 54.313(f)(1)(ii)]

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier [47 CFR § 54.313(f)(2)]

(Yes/No)

(3014) If yes, does your company file the RUS annual report

(Yes/No)



Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)



(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows



(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, Is your company audited?

(Yes/No)



If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications



(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows



(3021) Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit



If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,



(3023) Underlying information subjected to a review by an independent certified public accountant



(3024) Underlying information subjected to an officer certification.



(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows



290570TN3026.pdf

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information



Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	290570
<015> Study Area Name	LORETTO TEL CO
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Desda Hutchins
<035> Contact Telephone Number - Number of person identified in data line <030>	9318534351 ext.128
<039> Contact Email Address - Email Address of person identified in data line <030>	desda@lorettotel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: LORETTO TEL CO	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/22/2015
Printed name of Authorized Officer: Desda Hutchins	
Title or position of Authorized Officer: Chief Financial Officer	
Telephone number of Authorized Officer: 9318534351 ext.128	
Study Area Code of Reporting Carrier: 290570	Filing Due Date for this form: 07/01/2015
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	290570
<015> Study Area Name	LORETTO TEL CO
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Desda Hutchins
<035> Contact Telephone Number - Number of person identified in data line <030>	9318534351 ext.128
<039> Contact Email Address - Email Address of person identified in data line <030>	desda@lorettotel.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments



[illegible]

[illegible]



## REDACTED-FOR PUBLIC INSPECTION

### **Five-Year Network Improvement Plan and Progress Report** **For Loretto Telephone Company**

In its *USF/ICC Transformation Order* and subsequent Orders, the Federal Communications Commission (“FCC” or “Commission”) required Eligible Telecommunications Carriers (“ETCs”) to submit a five-year build-out plan in a manner consistent with Section 54.202(a)(1)(ii) of the Commission’s Rules by July 1, 2014 and to submit annual progress reports thereafter.<sup>1</sup> In its *March 5, 2013 Order*, the FCC specified that for rate-of-return carriers, the five-year plans “should describe the carrier’s network improvement plan, which should provide greater visibility into current plans to extend broadband service to unserved locations in rate-of-return service territories.”<sup>2</sup> Loretto Telephone Company (“Loretto” or the “Company”) is a rate-of-return carrier ETC and hereby submits its annual progress report covering any progress made during the first half of 2015 on the initial five-year network improvement plan submitted in 2014 as well as any updates to the plan made since initial submission of the plan.

#### **I. The Company’s Five-Year Network Improvement Plan**

When the Commission adopted its five-year plan requirements for FCC-designated ETCs in its *2005 ETC Order*, it set forth the following criteria as to how the ETC is to describe with

---

<sup>1</sup> See *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform—Mobility Fund*; WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-61 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*) at Para. 587; *pets. for review denied, Direct Comm. Cedar Valley, et al v. FCC 11-161*, No. 11-9900 [www.ca10.uscourts.gov/opinions/11/11-9900.pdf](http://www.ca10.uscourts.gov/opinions/11/11-9900.pdf) (10th Cir. filed May 23, 2014); see also *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Order, DA 12-147 (rel. Feb. 12, 2012) at Para. 5 (amending Section 54.313(a)(1) to clarify this requirement); *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Third Order on Reconsideration, FCC 12-52 (rel. May 14, 2012) at Para. 10 (changing the filing deadline for the annual reports from April 1 to July 1); *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Order, DA 13-332 (rel. Mar. 5, 2013) (“*March 5, 2013 Order*”) at Para.’s. 4, 6-9. Delaying Five-year Plan until July 1, 2014 see WC Docket No. 10-90, Order, DA 13-1115, Para. 8 (released May 16, 2013).

<sup>2</sup> *March 5, 2013 Order* at Para. 9 citing Section 54.202(a)(1)(ii).



“specificity” the proposed improvements or upgrades to the ETC’s network throughout its service area:

(1) how signal quality, coverage, or capacity will improve due to the receipt of high-cost support throughout the area for which the ETC seeks designation; (2) the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support; (3) the specific geographic areas where the improvements will be made; and (4) the estimated population that will be served as a result of the improvements.<sup>3</sup>

In that order, the FCC clarified that service quality improvements in the five-year plan “do not necessarily require additional construction of network facilities.”<sup>4</sup> Accordingly, the improvements listed in the plan may be projects related to the expansion of the network (one or multiple services), projects related to updating technology to accommodate new services or higher bandwidth or maintenance projects, such as to reduce trouble reports or replace outdated equipment. Additionally, in some cases, the projects may be ones that improve or upgrade the entire network rather than discrete areas within a study area or they may be ones that are ongoing projects that have no specific start and completion dates.

The instructions to the Form 481 state “[r]ecipients may describe where improvements are expected to occur by wire center or census block, as appropriate. To the extent no improvements are planned in specific areas, the five-year plan should so indicate.”<sup>5</sup> The instructions also require that in subsequent annual progress reports, which must include the total amount of universal support received, this information must be provided “broken out separately

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<sup>3</sup> *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) (“2005 ETC Order”).

<sup>4</sup> *Id.*

<sup>5</sup> Instructions for Completing FCC Form 481, OMB Control No. 3060-0986 (High-Cost), OMB Control No. 3060-0819 (Low-Income), July 2013, Line 112.

by the amount spent on capital expenses and the amount spent on operating expenses.”<sup>6</sup> Accordingly, the Company’s five-year plan separately provides both capital expenditures and operating expenses.

**A. The Company’s Major Network Improvement Projects**

Based upon this framework, Loretto has no updates to its Five-Year Plan submitted in 2014 and **Appendix A** contains Loretto’s five-year plan submitted in 2014 and reflects Loretto’s major network improvement projects for the calendar years 2015 through 2019<sup>7</sup> along with the start and completion dates, capital costs, areas and population associated with those projects.

**B. How These Projects Will Improve the Network**

For the five-year period 2015 to 2019, Loretto’s proposed projects will provide for the continued maintenance and ongoing additions of broadband and voice services that it schedules in the normal course of business. The capital expenditures included herein are based upon Loretto’s expectation of limited federal funding that is neither predictable nor sufficient to provide true broadband service on a universally available basis.

**C. Estimated Capital Expenditures and Operating Expenses**

Company has no updates to its five-year plan submitted in 2014. All data is the same as submitted in its filing in 2014. The first table in **Appendix B** included herein specifies the capital expenditures (projects) in **Appendix A**, by Part 32 account, along with the respective year in which the expenditures are expected to occur. In the second table of **Appendix B**, the

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<sup>6</sup> Instructions for Completing FCC Form 481, OMB Control No. 3060-0986 (High-Cost), OMB Control No. 3060-0819 (Low-Income), July 2013, Line 112.

<sup>7</sup> The initial five-year network improvement plan covered calendar years 2015 through 2019.



projected operating expenses are provided, including depreciation expense for both embedded plant investment and for capital expenditures, which begins when the capital expenditures are projected to be placed into service.

## **II. The Company's Progress Report on its Five-Year Network Improvement Plan**

Because the calendar year 2015 is still under way, Loretto is only able to report progress made prior to or over the first five months of 2015. Comprehensive progress made on network improvements in calendar year 2015 will be reported by [Company] in its 2016 ETC Annual Report. Loretto hereby provides the following required elements of its progress report to satisfy Form 481 reporting obligations.

### **A. The Amount of Universal Service Support Received by the Company**

For the first few months of 2015 Loretto received a total of \$365,508 in high cost universal service support ("USF") through the following mechanisms:

- \$211,242 for Interstate Common Line Support ("ICLS");
- \$0 for High Cost Loop Support ("HCLS");
- \$154,076 for ICC CAF Support;
- \$0 for Safety Net Additive ("SNA") (if applicable)
- \$0 for Safety Valve Support ("SVS") (if applicable).

### **B. How Loretto Has Used USF to Improve Service Quality, Coverage and Capacity**

Section 254(e) of the Communications Act of 1934, as amended requires ETCs to use Universal Service support ("USF") "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended."<sup>8</sup> Pursuant to Section 54.314 of the FCC's rules, in order for state-designated ETCs to receive USF for the coming year, states must

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<sup>8</sup> 47 U.S.C. § 254(e).



annually file certifications by October 1<sup>st</sup> stating that all federal high-cost support provided to such carriers within the state “was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.”<sup>9</sup> ETCs not designated by a state must file similar certifications with the FCC.<sup>10</sup>

In its *USF/ICC Transformation Order*, the FCC clarified that prior to making the Section 254(e) certifications, states should conduct a “rigorous examination of the factual information” contained in the annual Section 54.313 reports, of which the five-year network improvement plan and annual progress reports are a part, in determining whether they can certify that carriers’ support has been used and will be used only for the purpose for which the support was intended.<sup>11</sup> The FCC said that it would also use the reports to verify certifications filed by ETCs that are not state-designated.<sup>12</sup> In this context, the Commission stated, “[i]n light of the public interest obligations we adopt in this Order, a key component of this [Section 254(e)] certification will now be that support is being used to maintain and extend modern networks capable of providing voice and broadband service.”<sup>13</sup>

Essentially, under the existing rules and processes, the federal USF received by the Company and other incumbent rural telephone companies are, in fact, an integral part of the recovery of expenditures of rural incumbent local exchange carriers incurred in the provision,

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<sup>9</sup> 47 C.F.R. § 54.314(a).

<sup>10</sup> 47 C.F.R. § 54.314(b).

<sup>11</sup> See *USF/ICC Transformation Order* at Para. 612.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* (emphasis supplied).

maintenance and upgrading of their provision of facilities and services for which the USF is intended. Loretto depends upon its receipt and utilization of federal universal service support to provide rural telephone customers with affordable and quality voice and broadband services.

Accordingly, given the critical role the network improvement plan as updated herein and the progress reports will have in the annual Section 254(e) certification process, Loretto's plan and progress reports demonstrate how the Company has used and will use USF not only for improvements and upgrades, but also for the provision and maintenance of the facilities and services to which the support was intended. The Company hereby reports that for the first five months of 2015, it has made the following progress on meeting targets specified in its Five-Year Network Improvement Plan and that during those months it has used the amount of USF specified under Section II(A) above solely for which the support was intended.

All projects listed in **Appendix A** are in progress and on schedule. Loretto will report full progress on 2015 in its 2016 ETC Annual Report.

### **C. Maps Depicting the Company's Network Progress**

Attached to this Progress Report / Five-Year Network Improvement Plan as **Appendix C** is Loretto's map depicting the extent of the Company's network within its service area and indicating specific geographic areas associated with the projects listed in its five-year network improvement plan. The map depicts where Loretto can provide broadband, upon reasonable request, at actual speeds of at least 4 Mbps downstream/1 Mbps upstream, and where it can provide broadband, upon reasonable request, at actual speeds of at least 10 Mbps downstream/1 Mbps upstream.

**D. Network Improvement Targets Not Met**

Because 2015 is the first year of the Company's network improvement plan, there is no previous year for which to report network improvement targets that have not been fulfilled. The Company will report such information for calendar year 2015 as well as progress towards meeting its targets for that year in its progress report submitted in 2016.



Appendix A- Five-Year Plan

Study Area Code	2901570
Study Area Name	LORETTO TELEPHONE COMPANY, INC
Company Contact Name	DESIDA K HUTCHINS
Contact Telephone Number	931-853-1351
Contact Email Address	desida@lorettotel.com

PROJECT LIST FOR 2015 2019

	Project	Start Date	Completion Date	Areas	Population	Total Dollars
1	Expansion and Upgrades to DSL	1/1/2015	12/1/2019	Entire Service Area	10,771	\$ 68,145
2	Replacement of Batteries in Remotes	9/1/2015	11/30/2019	Entire Service Area	10,771	\$ 13,500
3	Expansion of Special Access	1/1/2015	12/1/2019	Entire Service Area	10,771	\$ 16,250
4	New Generators for Switching Equip	1/1/2015	12/31/2016	Entire Service Area	10,771	\$ 15,000
5	Maintenance & Upgrades to Cable & Wire Facilities	1/1/2015	12/31/2019	Entire Service Area	10,771	\$ 150,000
6	Material & Supplies	1/1/2015	12/31/2019	Entire Service Area	10,771	\$ 150,000
7	Vehicles	1/1/2015	12/31/2019	Entire Service Area	10,771	\$ 150,000
8	Support Assets, Computers	1/1/2015	12/31/2019	Entire Service Area	10,771	\$ 25,000
	Totals					\$ 587,895

# Appendix B - Five-Year Plan

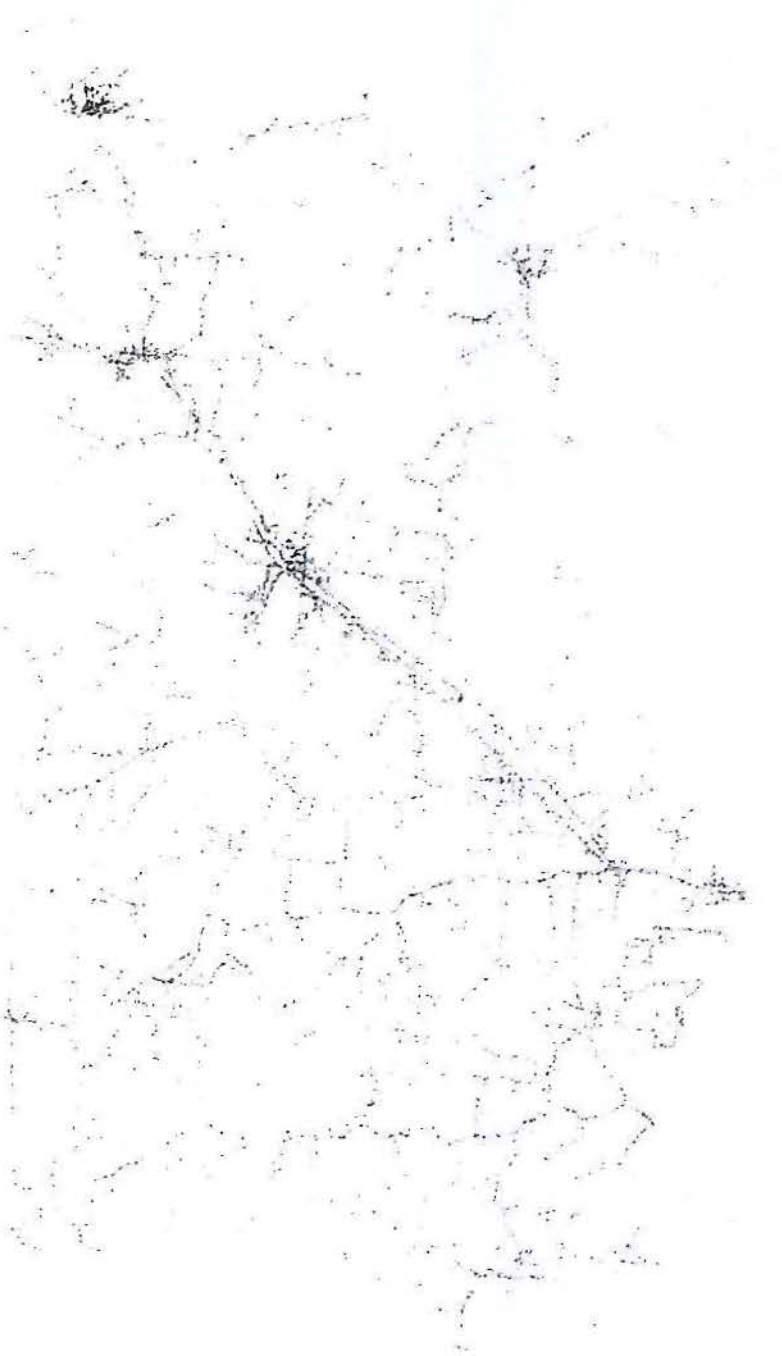
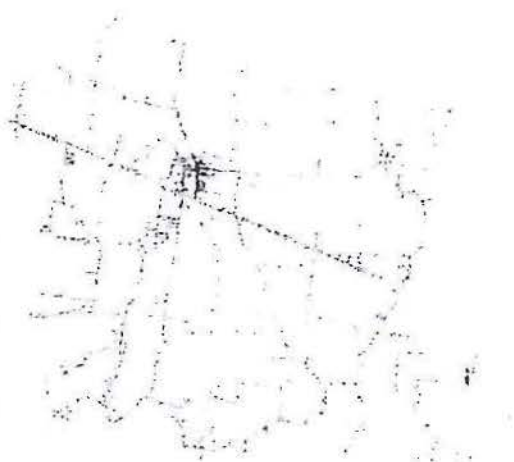
Study Area Code	290570
Study Area Name	LORETTO TELEPHONE COMPANY, INC
Company Contact Name	DESDA K HUTCHINS
Contact Telephone Number	931-853-4351
Contact Email Address	desda@lorettotel.com

## 5-Year Proposed Capital Expenditures and Operating Expenses

Regulated Capital Expenditure (CapEx) Projections							
Account	Description	2015	2016	2017	2018	2019	Total Projected CapEx 2015-2019
2111 & 2121	Land & Building						\$ -
2112	Vehicles	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 200,000
2122-2124	Support Assets	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
2210	Switching Equipment	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ 30,000
2237	Circuit Equipment	\$ 19,579	\$ 19,579	\$ 19,579	\$ 19,579	\$ 19,579	\$ 97,895
2410	Cable & Wire Facilities	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 150,000
1270	Materials & Supplies	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 150,000
	Total Capital Expenditures	\$ 122,079	\$ 122,079	\$ 114,579	\$ 114,579	\$ 114,579	\$ 587,844

Regulated Operating Expense (OpEx) Projections							
Account	Operating Expenses	2015	2016	2017	2018	2019	Total Operating Expenses 2015-2019
6110-6120	General Support Maintenance	\$ 450,000	\$ 454,000	\$ 458,000	\$ 462,000	\$ 466,000	\$ 2,294,950
6210	Switching Maintenance	\$ 170,000	\$ 171,700	\$ 173,400	\$ 175,250	\$ 177,000	\$ 867,450
6230	COI Transmittance Maintenance	\$ 42,000	\$ 42,840	\$ 43,700	\$ 44,600	\$ 45,500	\$ 218,669
6410	Cable & Wire Facilities	\$ 261,000	\$ 264,000	\$ 267,000	\$ 270,000	\$ 273,000	\$ 1,344,700
6530	Non-Specific (Testing, Plant Op, Engineering)	\$ 250,000	\$ 252,000	\$ 254,000	\$ 256,000	\$ 258,000	\$ 1,274,200
6561-2110	General Support Depreciation	\$ 94,850	\$ 94,800	\$ 94,800	\$ 94,800	\$ 94,800	\$ 522,598
6561-2210	Switching Depreciation	\$ 105,375	\$ 105,125	\$ 105,500	\$ 106,500	\$ 106,500	\$ 531,000
6561-2230	Circuit Equip Depreciation	\$ 146,000	\$ 147,000	\$ 149,000	\$ 151,850	\$ 153,800	\$ 749,499
6561-2410	Cable & Wire Depreciation	\$ 408,750	\$ 410,000	\$ 411,750	\$ 417,250	\$ 414,750	\$ 2,058,750
6610-6620	Customer Operations	\$ 250,000	\$ 251,250	\$ 252,500	\$ 253,800	\$ 255,000	\$ 1,262,550
6711-6720	Corporate Operations	\$ 1,230,000	\$ 1,231,500	\$ 1,232,460	\$ 1,233,700	\$ 1,234,800	\$ 6,162,290
7240	Ad Valorem Expense	\$ 125,000	\$ 126,250	\$ 127,500	\$ 128,750	\$ 130,000	\$ 637,660
	Total Operating Expenses	\$ 3,677,754	\$ 3,691,794	\$ 3,626,509	\$ 3,667,905	\$ 3,677,128	\$ 18,179,311

APPENDIX C





Loretto Telephone Company Inc.'s demonstration of complying with applicable service quality standards and consumer protection rules:

In establishing this certification in its *2005 ETC Order*,<sup>1</sup> the FCC found that an ETC must make "a specific commitment to objective measures to protect consumers."<sup>2</sup> The FCC found that for wireless ETCs, compliance with CTIA's Consumer Code for Wireless Service would satisfy this requirement" and that the sufficiency of other commitments would be considered on a case-by-case basis.<sup>3</sup> In this context, the FCC stated, "to the extent a wireline or wireless ETC applicant is subject to consumer protection obligations under state law, compliance with such laws may meet our requirement."<sup>4</sup>

Loretto Telephone Company, Inc. ("Company") hereby certifies that it is complying with applicable service quality standards and consumer protection rules. The Company is subject to consumer protection obligations under state law. These obligations include, but are not limited to, the following: (1) filing a Local Exchange Tariff pursuant to the Rules of Tennessee Regulatory Authority, Chapter 1220-4-1-.03 and the Tennessee Code Annotated, Title 65, Chapter 5, Part 1, §65-5-102, which disclose rates, terms and conditions of service to customers; (2) adherence to state consumer protection requirements governing telephone providers which require implementation of Basic Utility Obligations in accordance with the Rules of Tennessee Regulatory Authority, Chapter 1220-4-2-.29, Consumer Safeguards as identified in the Rules of

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<sup>1</sup> *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) ("*2005 ETC Order*").

<sup>2</sup> *Id.* at para. 28.

<sup>3</sup> *Id.* The FCC noted that under the CTIA Consumer Code, wireless carriers agree to: "(1) disclose rates and terms of service to customers; (2) make available maps showing where service is generally available; (3) provide contract terms to customers and confirm changes in service; (4) allow a trial period for new service; (5) provide specific disclosures in advertising; (6) separately identify carrier charges from taxes on billing statements; (7) provide customers the right to terminate service for changes to contract terms; (8) provide ready access to customer service; (9) promptly respond to consumer inquiries and complaints received from government agencies; and (10) abide by policies for protection of consumer privacy." *Id.* at n. 71.

<sup>4</sup> *Id.* at n. 72.

Tennessee Regulatory Authority, Chapter 1220-4-2-.55, anti-slamming procedures as required in the Rules of Tennessee Regulatory Authority, Chapter 1220-4-2-.56;(3) truth-in-billing requirements in accordance with the Rules of Tennessee Regulatory Authority, Chapter 1220-4-2-.58; and (4) CPNI, Red Flag Rules and other applicable federal and state requirements governing the protection of customers' privacy.

Company is subject to consumer protection obligations for broadband services under federal law. These obligations include, but are not limited to the following: public disclosure of accurate information regarding network management practices, performance, and commercial terms of broadband internet access services, as a means of providing sufficient information for consumers to make informed choices regarding use of such services, and for content, application, services and device providers to develop, market, and maintain internet offerings as a specified in F.C.C. 47 C.F.R. Part 8 § 8.3. The Company furthermore will comply with all requirements set forth in the 2015 Open Internet Order when it becomes effective.



### Loretto Telephone Company Inc.'s Ability to Function in Emergency Situations

Loretto Telephone Company, Inc. ("Company") hereby certifies that it is able to function in emergency situations as set forth in Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.202(a)(2)<sup>1</sup> and Rules of the Tennessee Regulatory Authority, Chapter 1220-4-2. The Company's network is designed to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required by Section 54.202(a)(2). The Company can reroute traffic around damaged facilities. Changing call routing translations will also allow the Company to manage traffic spikes throughout its network, as emergency situations require.

In accordance with the Rules of Tennessee Regulatory Authority, Chapter 1220-4-2, 1220-4-2-.23 Emergency Operation, the Company's central offices have adequate provision for emergency power. Specifically, each central office building is supplied with standby generators and battery back-up that enable the central office to keep running until power is restored so long as fuel is available, or until system changes are made to reroute traffic. In addition, Company has an emergency operations plan and/or disaster recovery plan in place.

Company's standby generators and battery back-up support both voice and broadband network equipment should an emergency situation occur.

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<sup>1</sup> Section 54.202(a)(2) requires ETCs that are designated by the Commission to "demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations."



REDACTED FOR PUBLIC INSPECTION

"Loretto Telephone Company, Inc. does not offer any specialized voice telephone service plans to Lifeline subscribers. The only voice telephony service plans offered to Lifeline subscribers are the same plans that are generally available to the public. Our website, [www.lorettotel.com](http://www.lorettotel.com), outlines the terms and conditions."

**Loretto Telephone Company (SAC 290570)**

**Response to Line 3010 – Milestone Certification (47 CFR §54.313(f)(1)(i))**

Loretto Telephone Company hereby certifies that throughout 2014, it took reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 4 Mbps downstream/1 Mbps upstream, and currently, it is taking reasonable steps to provide upon reasonable request actual speeds of at least 10 Mbps downstream/1 Mbps upstream broadband service at with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas as determined in an annual survey, and that requests for such service are met within a reasonable amount of time.

**REDACTED-FOR PUBLIC INSPECTION**

**Loretto Telephone Company, Inc. (SAC 290570)**

**List of Community Anchor Institutions**

The FCC's *USF/ICC Transformation Order* requires a listing of community anchor institutions to which the ETC newly began providing broadband service. Loretto Telephone Company, Inc. hereby provides the FCC with a list of community anchor institutions to which it newly began providing access to broadband service in calendar year 2014.<sup>1</sup> The list also includes a long-time community anchor, that was not included in last year's filing.

Number	Name	Address
001	Loretto Family Care	722 N. Military St.; Loretto, TN 38469
002	Loretto Library	102 S. Main St.; Loretto, TN 38469

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<sup>1</sup> The FCC has defined community anchor institutions in Section 54.5 of its Rules as "schools, libraries, health care providers, community colleges, other institutions of higher education, and other community support organizations and entities."